Thirty-fourth annual
survey of well-known business
and industrial firms concerning

EMPLOYMENT TRENDS

for college graduates

THE ENDICOTT REPORT 1980

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Published by the Placement
Center of Northwestern University

NORTHWESTERN UNIVERSITY
Evanston, Illinois

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Trends in the Employment of

College and University Graduates in

Business and Industry

1980

THIRTY-FOURTH ANNUAL REPORT

A Survey of 170 Well-known Business

and Industrial Concerns

by

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Evanston, Illinois

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Published by The Placement Center/Northwestern University.

INTRODUCTORY STATEMENT

This is the thirty-fourth annual survey of policy and practice in the employment of college and university graduates in business and industry. A total of 170 well-known companies responded to the inquiry. All but a few are large or medium sized corporations. Almost all of these companies have recruited college graduates for many years. Reports came from 20 states and Washington, D.C., representing all major regions of the nation.

Survey forms were returned during the period from October 20 to November 25, 1979. At this time, inflation was clearly the nation's major economic problem. There was continued concern over a possible shortage of energy, especially gasoline. Interest rates rose sharply and there were predictions of a business downtrend. Serious trouble was brewing in Iran.

The major purpose of this report is to supply information which will be of interest to colleges and universities as well as to employers. An important feature of these surveys is an estimate by the responding companies of the number of graduates to be employed during the coming year and the starting salaries to be offered. In recent years, a follow-up survey has been made in May to determine the accuracy of the November estimates.

A year ago, college seniors experienced a somewhat improved job market except for those prepared to teach. Early indications for the 1980 employment season were that there was increased activity in the college placement offices. In most institutions, more students were utilizing placement services and more employers were scheduling interviews.

The willingness of hundreds of corporate personnel executives to supply information, often at considerable cost in time and effort, is greatly appreciated and care is taken not to identify the responding companies in any way.

SOURCES OF DATA

The 170 responding companies represent a variety of business interests. They are classified as follows:

Machinery/Heavy Equipment	21	Automobile/Aircraft	8
Light Manufacturing	20	Public Accounting	7
Utilities	14	Research/Engineering	7
Banking/Investments	13	Food/Grain Processing	5
Bldg. Materials/Construction	10	Textiles/Rubber	5
Retail Store/Mail Order	9	Data Processing	4
Drugs/Chemicals	9	Printing/Publishing/Advertising	4
Steel/Other Metals	9	Carriers	3
Insurance	8	Others	3
Oil/Gas	8	Paper/Paper Products	3

BUSINESS OUTLOOK FOR 1980

The general business outlook for 1980, as estimated by the responding companies, was as follows:

BETTER THAN 1979	39%
ABOUT THE SAME AS 1979	38%
NOT AS GOOD AS 1979	23%
Number of companies reporting	165

PLANS FOR RECRUITING FROM 1980 CLASSES

Plan to contact MORE colleges next year	28%
Plan to contact SAME NUMBER of colleges next year	57%
Plan to contact FEWER colleges next year	15%
Number of companies reporting	166

NEEDS FOR COLLEGE GRADUATES FROM 1980 CLASSES

	Bachelor's Degree	Master's Degree
Total needs UP	62%	45%
Total needs SAME as last year	13%	27%
Total needs DOWN	25%	28%
Number of companies reporting	162	101

THE EMPLOYMENT OF INEXPERIENCED COLLEGE GRADUATES DURING THE PAST YEAR
AND FOR NEXT YEAR AS REPORTED BY 162 COMPANIES

BACHELOR'S LEVEL	Past year (1979) No. Companies	Past year (1979) No. Grads.	Next year (1980) No. Companies	Next year (1980) No. Grads.
Engineering	104	5058	112	6515
Accounting	90	5380	88	5823
Sales-Marketing	52	2227	50	2569
Business Administration	78	2513	78	2699
Liberal Arts	36	710	34	688
Chemistry	29	234	26	250
Mathematics-Statistics	30	219	27	215
Economics-Finance	34	228	28	230
Computer Science	65	1190	68	1632
Other Fields	33	467	28	460
TOTALS - BACHELOR'S LEVEL		18,226		21,081
MASTER'S LEVEL				
Engineering	52	729	48	791
Other Technical Fields	25	292	23	309
MBA with Technical BS	39	577	40	581
MBA with Non-technical BA	55	703	49	723
Accounting	16	1295	14	1404
Other Non-technical Fields	20	459	16	398
TOTALS - MASTER'S LEVEL		4,055		4,206

Engineering: Bachelor's	UP for 1980 ... 29%	Master's	UP for 1980 ... 9%
Non-Engineering: Bachelor's	UP for 1980 ... 6%	Master's	UP for 1980 ... 3%
TOTALS: Bachelor's Level	UP for 1980 ... 16%	Master's	UP for 1980 ... 4%

COLLEGE GRADUATES TO BE HIRED AT VARIOUS SALARY LEVELS - BACHELOR'S DEGREE
1980 CLASSES
(Number of hiring companies in parentheses)

Field	Less than $1200	$1200 to $1299	$1300 to $1399	$1400 to $1499	$1500 to $1599	$1600 to $1699	$1700 to $1799	$1800 or more	Average Starting Salary*
Engineering (112)		14 (4)	5 (1)	261 (10)	527 (14)	2534 (44)	2448 (28)	716 (11)	$1678
Accounting (88)	166 (15)	2786 (32)	2471 (25)	297 (10)	53 (5)	50 (1)			$1310
Sales-Mktg. (50)	290 (16)	1005 (17)	640 (6)	242 (5)	261 (3)	131 (3)			$1328
Bus. Admin. (78)	1801 (32)	280 (24)	287 (11)	166 (6)	157 (3)	8 (2)			$1175
Lib. Arts (34)	575 (19)	29 (6)	26 (4)	53 (4)	5 (1)				$1108
Chemistry (26)		5 (2)	12 (5)	143 (9)	81 (7)	9 (3)			$1427
Math-Stat. (27)	9 (3)	11 (2)	53 (7)	29 (4)	96 (6)	17 (5)			$1467
Econ-Fin. (28)	99 (11)	71 (7)	8 (3)	42 (5)	5 (1)	5 (1)			$1206
Computer Sci. (68)	25 (3)	86 (4)	111 (12)	403 (17)	864 (24)	131 (7)	12 (1)		$1476
Other Fields (38)	84 (15)	32 (3)	40 (5)	108 (7)	119 (6)	77 (2)			$1462

*Salary per month. Averages take into account the number of graduates to be hired at each salary level.

Corresponding averages paid to graduates of 1979 classes as reported by these companies:

Engineering	$1544	Accounting	$1232	Sales-Mktg.	$1256
Bus. Admin.	$1120	Lib. Arts	$1058	Math-Stat.	$1391
Chemistry	$1350	Econ-Fin.	$1145	Comp. Sci.	$1375
		Other Fields	$1352		

COLLEGE GRADUATES TO BE HIRED AT VARIOUS SALARY LEVELS

MASTER'S DEGREE - 1980 CLASSES

(Number of hiring companies in parentheses)

Field	Less than $1500	$1500 to $1599	$1600 to $1699	$1700 to $1799	$1800 to $1899	$1900 to $1999	$2000 or More	Average Starting Salary*
Engineering (48)		1 (1)	23 (4)	76 (12)	129 (13)	248 (12)	314 (6)	$1928
Other Tech. Fields (23)		25 (4)	56 (9)	102 (6)	116 (3)	10 (1)		$1729
MBA with Tech. BS (40)		255 (4)	8 (3)	41 (9)	61 (6)	58 (5)	168 (13)	$1886
MBA with Non-Technical BA (49)	1 (1)	82 (10)	48 (7)	195 (9)	65 (7)	205 (7)	127 (8)	$1806
Accounting (14)	15 (3)	1318 (5)	48 (2)	3 (1)	6 (2)		14 (1)	$1535
Other Non-Tech. Fields (16)	10 (3)	10 (3)	6 (3)	160 (4)	212 (3)			$1780

*Averages take into account the number of graduates to be hired at each salary level.

CORRESPONDING AVERAGES PAID LAST YEAR (1979)

FOR GRADUATES WITH THE MASTER'S DEGREE

Engineering	$1768
Other Technical Fields	$1610
MBA with Technical BS	$1742
MBA with Non-technical BA	$1668
Accounting	$1462
Other Fields	$1676

Major reasons for increased hirings in 1980 were reported to be expected business growth and expansion. Most often reported as reasons for employing fewer college graduates in 1980 were anticipated business downtrends and a slowdown in certain basic industries such as automobiles and construction.

Respondents were asked to indicate any changes or new developments in the company's needs for college graduates in the 1980's. Most often noted was the need for more engineers and other technically trained graduates. The need for more graduates in computer science was frequently mentioned. Several companies pointed to an increase in the hiring of women and members of minority groups.

Illustrative comments: "We will continue to need more engineering talent and our volume in every key academic category should grow." "We will triple our hiring of new graduates with an added emphasis on energy conservation and micro processors." "With improved management techniques, it will take a sharper person to succeed." "We will be seeking graduates with greatly improved verbal skills." "It is our plan to develop better ways to increase retention." "We may be forced to curtail the hiring of MBA's as starting salaries increase in proportion to their value." "The big unknown is the effect of governmental activity on selection procedures."

REASONS WHY THEIR COMPANY IS CHOSEN BY COLLEGE GRADUATES
AS REPORTED BY 164 EMPLOYERS

Reasons	Frequency of Mention
Type of work - Challenging assignments - Working conditions - Diversity of exposure	110
Opportunity for advancement, progress, and growth	84
Location - job near home	65
Salary	52
Reputation of company - Company image - Growth and stability of company	50
Personal relations in company - Response to people the graduate met	46
Company training program including tuition reimbursement for graduate study	38
Benefits	17
Kind of industry	15
Size of company	7

REASONS WHY GRADUATES REJECT COMPANY OFFERS AS REPORTED BY 164 EMPLOYERS

Reasons	Frequency of Mention
Company location - Size of community	115
Salary	97
Type of work - Job assignments	63
Wants faster promotion - Desires more responsibility	28
Not interested in the industry	25
Reluctance to travel or to relocate	18
Seeks greater opportunity for graduate study	12
Work schedules - Overtime	9
Benefits	9
Size of company	6
Housing	5
Negative response to people	4
Lifestyle considerations	3

RATIO OF ACCEPTANCES TO OFFERS

The percentage of acceptances as related to offers in several employment categories is shown below with the number of reporting companies in parentheses:

Engineering (90) 35%

Accounting and Business Administration (82) 53%

Liberal Arts Graduates (30) 53%

Women Graduates (65) 50%

Black Graduates or Minorities (66) 48%

TURNOVER - LOSS OF GRADUATES AFTER 3½ YEARS

The question was: "Please report the experience of your company for beginning graduates, bachelor's level, hired from the Class of 1976 (3½ years ago)." Percentage of loss is shown below with the number of reporting companies in parentheses. A good many companies indicated that this information was not available.

Engineering (52) Percentage who left 32%

Accounting and Business Administration (58) Percentage who left . . 27%

Liberal Arts Graduates (27) Percentage who left 27%

It was reported by most companies that the loss of women graduates and black or minority graduates was no greater than for other graduates.

REASONS WHY EMPLOYERS DO NOT OFFER JOBS TO CERTAIN GRADUATES

Employers were asked to respond to the following question: "What are the most common reasons for NOT offering a job? In other words, what negative factors most often lead to rejection?"

A total of 166 employers responded. Negative factors are listed below in order of frequency of mention.

Factors	Frequency of Mention
Negative personality or poor impression: More specifically, lack of motivation, ambition, maturity, aggressiveness or enthusiasm	110
Inability to communicate - Poor communication skills	62
Lack of competence - Inadequate preparation	56
Low grades - Poor grades in major field	38
Unidentified goals	32
Unrealistic expectations	28
Lack of interest in the type of work	25
Unwillingness to travel or to relocate	23
Poor preparation for the interview	14
Lack of work experience	10

SUGGESTIONS FOR COLLEGE PLACEMENT OFFICES BY EMPLOYERS

Employers were asked, "In what specific ways can college placement offices be more helpful?" Responses came from 95 companies. Suggestions were varied and it was difficult to classify them. They are summarized briefly below:

Most often mentioned were procedures relating to the scheduling of interviews on the campus, especially adequate screening of students. Employers want more opportunity to preview resumes. They want the placement office to make sure that the graduate is qualified for the job. One employer said, "Don't let business administration students get on the engineering schedule." Another commented, "Discourage students from interviewing companies just for practice."

Several employers indicated that students should research the company before the interview and that placement officers should provide more information about the company and the types of jobs. "Provide students with more job related information and explain how one company differs from another in the same industry."

It was suggested that students need more help in preparing for the interview and in developing a resume. Several suggested that students be asked to present a transcript of grades along with the resume. "Delay prevents early consideration." "Quit telling students who send resumes not to include their grades."

"Provide more and better career counseling." was mentioned by several employers. A special comment related to the students' lack of understanding of the business world and their own limitations. "Work more closely with faculty members to present more realistic expectations."

Other illustrative comments and suggestions:

"Why do placement offices require their form instead of ours?" "Standardize information forms."

"Encourage minority students to sign up for interviews if they qualify."

"There is much need for more effective alumni placement services and an alumni resume file for employers to utilize."

"Placement officers can be of greater help in contacting faculty members."

"Help foreign students to be more selective. They interview everyone."

"Greater promptness in confirming dates."

"Advance information on how heavy scheduling is."

"More panels of employers as campus speakers."

"Visit companies personally, not merely as part of a group."

"Encourage more co-op programs and participation in them."

"Make greater effort to become the campus expert on the job market and be so recognized."

SUMMARY AND TRENDS

A total of 170 companies supplied information for the thirty-fourth annual report regarding the employment of college graduates in business. Most are large or medium sized corporations which regularly recruit college men and women.

Company responses were received in November, 1979. When asked to describe the business outlook for their company in 1980, 39% indicated that business would be better. Twenty-three percent predicted that business would not be as good.

The reporting companies expect to hire 16% more college graduates at the Bachelor's level in 1980 than were employed from 1979 classes. At the Master's degree level, the increase will be 4%. In greatest demand will be graduates in engineering, accounting, business administration, computer science, and sales.

Almost without exception, these companies will raise starting salaries from 5 to 9%. Predicted averages for 1980 indicate that Bachelor's degree graduates in engineering will be offered about $1678 per month, accountants about $1298, graduates in business administration about $1175, computer science about $1476, and those in liberal arts about $1108 per month.

Master's degree graduates in engineering will receive, on the average, about $1978 per month, those in accounting about $1535 and those with the MBA about $1886 if they earned an undergraduate degree in technical fields. MBA graduates with non-technical Bachelor's degrees will receive about $1806 per month.

When asked to list the most important reasons why their company is chosen by graduates to whom job offers have been made, the type of work and the challenge of assignments ranked first. Other reasons, in order, included the opportunity for advancement, location, and salary.

Employers reported that beginning college graduates most often reject company offers because of location, salary, type of work, and a desire for faster promotion with more responsibility.

When employers do <u>not</u> offer jobs to certain graduates, they do so for the following reasons in order of importance: negative personality, poor communication skills, lack of competence, and low grades.

Among the graduates employed from the Class of 1976 (3½ years ago) about 30% have left the company. It was reported by most companies that the loss of women and graduates who are black is no greater than for others.

Reporting employers had suggestions for college placement officers. They included: better screening of students before interviews, more and better career counseling, and more information for students about companies and jobs. Said one employer, "Make greater effort to become the campus expert on the job market and be so recognized."

CONCLUDING STATEMENT

It is important to express appreciation for the interest and cooperation of the many personnel executives who supplied information upon which this report is based. It is hoped that the findings will be helpful. It is also important to express special appreciation to Mrs. Victoria Mackenroth, Administrative Assistant in the Placement Center, Northwestern University, who, for twenty-three years, has been responsible for much of the tabulation and preparation of these reports.

Northwestern University

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December, 1979